

News Release



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Labor Department Proposes Rules on Notices Relating to Funding Status of Multiemployer Pension Plans

WASHINGTON—The U. S. Department of Labor today announced proposed rules to implement provisions of the Pension Funding Equity Act of 2004, which require plan administrators of multiemployer pension plans to furnish annually a notice on the funding status of the plans.

"This Administration is taking concrete steps to improve the financial integrity of the pension insurance system, including more disclosure of information on the funding of defined benefit plans," said Assistant Secretary of Labor, Ann L. Combs. "We believe these rules will result in greater transparency for workers, employers and the government on how well these plans are funded."

"These proposed rules are a big step forward to ensure that individuals and employers receive good information about the funding status of these plans as a way to ensure sufficient assets are available to pay future benefits. We look forward to suggestions from the public on how to improve these important proposed rules."

The proposed regulation provides that a notice be sent annually to participants, beneficiaries, labor organizations, contributing employers and the Pension Benefit Guaranty Corporation. The notice, which must be written in easily understood language, must include basic financial information about the plan, such as a statement as to whether the plan is 100% funded. If the plan is less than 100% funded, the notice must include the plan's actual funded current liability percentage. The notice also must include a comparison of the plan's assets to benefit payments, a description of the law governing insolvent plans, and the Pension Benefit Guaranty Corporation's benefit guarantees. The proposal contains a model notice to reduce compliance burdens on plans and their administrators.

Public comments on the proposed regulations should be submitted to the U.S. Department of Labor, Employee Benefits Security Administration (EBSA), Room N5669, 200 Constitution Ave., N.W., Washington, D.C. 20210, Attention: PFEA '04 Project or by email to e-ORI@dol.gov. The proposed regulation is to be published in the Jan. 26, 2005 *Federal Register*.

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